

SECOND REGULAR SESSION

# SENATE BILL NO. 1120

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR CAUTHORN.

Read 1st time January 21, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal section 393.015, RSMo, and to enact in lieu thereof one new section relating to water and sewer companies.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 393.015, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.015, to read as follows:

393.015. 1. Notwithstanding any other provision of law to the contrary, any [sewer] **water** corporation, municipality **providing water**, or [sewer] **any water** district established under the provisions of chapter [249 or 250] **247**, RSMo, [or sections 204.250 to 204.470, RSMo, or any sewer district created and organized pursuant to constitutional authority, may contract with any water corporation, municipality, or public water supply district established under chapter 247, RSMo, to terminate water services to any customer premises for nonpayment of a sewer bill. No such termination of water service may occur until thirty days after the sewer corporation, municipality or statutory sewer district or sewer district created and organized pursuant to constitutional authority sends a written notice to the customer by certified mail, except that if the water corporation, municipality or public water supply district is performing a combined water and sewer billing service for the sewer corporation, municipality or sewer district, no additional notice or any additional waiting period shall be required other than the notice and waiting period already used by the water corporation, municipality or public water supply district to disconnect water service for nonpayment of the water bill. Acting pursuant to a contract, the water corporation, municipality or public water supply district shall discontinue water service until such time as the sewer charges and all related costs of termination and reestablishment of sewer and water services are paid by the customer] **shall, upon request of any municipality providing sewer service or public sewer district established under the provisions**

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

**of chapter 249 or 250, RSMo, or sections 204.250 to 204.470, RSMo, or any sewer district created and organized pursuant to constitutional authority, contract with such sewer provider to terminate water services to any water user of such water provider for nonpayment of a delinquent sewer bill owed to such sewer provider.**

**2. [A water corporation, municipality, or public water supply district acting pursuant to a contract with a sewer corporation, municipality or sewer district as provided in subsection 1 of this section shall not be liable for damages related to termination of water services unless such damage is caused by the negligence of such water corporation, municipality, or public water supply district, in which case the water corporation, municipality, or public water supply district shall be indemnified by the sewer corporation, municipality or sewer district. Unless otherwise specified in the contract, all costs related to the termination and reestablishment of services by the water corporation, municipality or public water supply district shall be reimbursed by the sewer corporation, municipality, sewer district or sewer district created and organized pursuant to constitutional authority.] Any water provider, or independent contractor acting for such water provider, disconnecting water service to collect a delinquent sewer charge at the request of a sewer provider pursuant to a water termination agreement made pursuant to this section shall be immune from civil liability for damages or costs resulting from disconnection.**

**3. In the event that any water provider and any sewer provider are unable to reach an agreement as provided in this section within six months of the receipt of such request by the water provider, then the sewer provider making the written request may file with the circuit court in which such water provider was incorporated, or if such water provider was not incorporated by a circuit court, then with a circuit court having jurisdiction of the water provider, a petition requesting that three commissioners be selected to draft such an agreement.**

**4. Any agreement drafted by such commissioners or entered into under the provisions established in this section shall contain the following provisions:**

**(1) The rules and regulations or ordinances of the sewer provider shall provide the number of delinquent days required before water service may be discontinued for failure to pay incurred sewer charges. Such period of time shall be equal to the number of delinquent days required before water service is discontinued for failure to pay incurred water charges as set by the water provider;**

**(2) The water provider shall not be required to discontinue water service to the sewer user for failure to pay the incurred charges or rental due unless the sewer provider shall first provide written notice to the water provider requesting discontinuation of service. The notice shall include the due date, amount of the**

delinquent bill, and all penalties and interest thereon. When payment of the delinquent amount is received by the water provider, water service shall be restored to the user;

(3) All reasonable expense and cost incurred by the water provider in performing or carrying out the agreement shall be reimbursed to the water provider by the sewer provider;

(4) The sewer provider shall hold the water provider, or any independent contractor who performs or carries out such agreement under contract with the water provider, harmless as a result of the agreement between the sewer provider and water provider or as a result of any claim, litigation, or threatened litigation against the water provider or independent contractor arising in any way from such agreement;

(5) The expense and cost of the water provider shall be recalculated annually, providing for annual increases or decreases in the National Consumers Price Index for All Urban Consumers (CPI-U), unadjusted for seasonal variation, as published by the United States Department of Labor. The amount due the water provider during the subsequent year shall be increased or decreased according to any change occurring in such costs and expenses;

(6) When a water provider is collecting delinquent amounts for both water and sewer service, all delinquent payments due to both the water and sewer provider shall be received by the water provider before water service is restored. If for any reason water service is never restored, any amount collected for delinquent accounts due both water and sewer provider shall be divided equally between the water provider and the sewer provider.

5. Upon the filing of such petition, the sewer provider shall appoint one commissioner. The water provider shall appoint a commissioner within thirty days of the service of the petition upon it. If the water provider fails to appoint a commissioner within such time period, the court shall appoint a commissioner on behalf of the water provider within forty-five days of service of the petition on the water provider. Such two named commissioners shall agree to appoint a third commissioner within thirty days after the appointment of the second commissioner, but in the event that they fail to do so, the court shall appoint a third commissioner within sixty days after the appointment of the second commissioner.

6. The commissioners shall draft an agreement between the water provider and sewer provider meeting the requirements established in this section. Before drafting such agreement, the water provider and sewer provider shall be given an opportunity to present evidence and information pertaining to such agreement at

a hearing to be held by the commissioners, of which each party shall receive fifteen days written notice. The hearing may be continued from time to time by the commissioners. The commissioners shall consider all such evidence and information submitted to them and prepare such agreement as provided herein. Said agreement shall be submitted to the court within ninety days of the selection or appointment of the last commissioner as herein provided.

7. If the court finds that such agreement meets the requirements of this section, then the court shall enter its judgment approving such agreement and order it to become effective sixty days after the date of such judgment. If such agreement does not meet the requirements of this section, the court shall return it to the commissioners with its reasons for rejecting the agreement. The commissioners shall make the required changes and resubmit the agreement to the court. Upon approval of the agreement by the court, judgment shall be entered approving the agreement and ordering it to become effective sixty days after the date of such judgment. Thereafter, the parties shall abide by such agreement. If either party fails to do so, the other party may file an action to compel compliance. Venue shall be in the court issuing such judgment.

8. The judgment and order of the court shall be subject to appeal as provided by law. All costs, including commissioners' compensation, shall be taxed to and paid by the sewer provider requesting an agreement. The court shall also order payment of a reasonable attorney fee and fees of expert witnesses of the water provider by the sewer provider to the water provider.

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